

ASSEMBLY BILL

No. 485

Introduced by Assembly Member Ridley-Thomas

February 14, 2003

An act to amend Section 4979.7 of the Financial Code, relating to consumer loans.

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as introduced, Ridley-Thomas. Consumer loans.

Existing law prohibits a person who originates a consumer loan from financing, directly or indirectly, into a consumer loan or financing to the same borrower within 30 days of a consumer loan certain insurance premiums and debt cancellation or suspension agreement fees.

This bill would extend the 30-day time period for the prohibition to 90 days.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4979.7 of the Financial Code is
2 amended to read:
3 4979.7. On or after July 1, 2002, a person who originates a
4 consumer loan shall not finance, directly or indirectly, into a
5 consumer loan or finance to the same borrower within ~~30~~ 90 days
6 of a consumer loan any credit life, credit disability, credit property,
7 or credit unemployment insurance premiums, or any debt
8 cancellation or suspension agreement fees, provided that credit
9 insurance premiums, debt cancellation, or suspension fees

1 calculated and paid on a monthly basis shall not be considered
2 financed by the person originating the loan. For purposes of this
3 section, credit insurance does not include a contract issued by a
4 government agency or private mortgage insurance company to
5 insure the lender against loss caused by a mortgagor's default.

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